



MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Violet Varona-Lukens, Executive Officer
Clerk of the Board of Supervisors
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Director of Health Services

At its meeting held May 10, 2005, the Board took the following action:

3 and 52

The following items were called up for consideration:

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Supervisor Antonovich's recommendation to direct the Director of Health Services to convey to Navigant Consulting that there will be no additional funds allocated to their contract, and that the County is holding them to their contractual commitment to turn-around Martin Luther King, Jr./Drew Medical Center for \$13.2 million; also direct the Director of Health Services to provide the Board with written update reports on the establishment of the baselines and performance improvement goals outlined in the contract with Navigant, and their progress in achieving those goals within 30-days, with regular written and verbal progress reports from the Department every 60 days; and direct the Director of Personnel to provide monthly written reports to the Board on his Department's progress in working with Navigant and the Department of Health Services in recruiting permanent replacements for positions held by Navigant employees.

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The Director of Health Services' recommendation to authorize the Director to execute amendment to agreement with Navigant Consulting, Inc., for management consulting services at Martin Luther King, Jr./Drew Medical Center, to increase the maximum contract obligation to \$14,962,250, and to make other substantive changes to the terms of the agreement.

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The following statement was entered into the record for Supervisor Antonovich:

“On March 14, 2005, the Department of Health Services informed the Board of Supervisors that Navigant Consulting had requested a \$3.4 million increase to their \$13.2 million contract for turn-around services at King/Drew Medical Center.

“The problems at King/Drew were chronicled for over a year before Navigant’s engagement by the press. Further, Navigant had access to all the Federal Center for Medicare and Medicaid Services (CMS) reports on King/Drew that had led up to the Memorandum of Understanding between the County and CMS requiring the engagement of a turn-around firm. The scope of work that was developed to solicit turn-around bids was extensive and laid out the scope of the problems at King/Drew. With all this information, Navigant assured the Board at our October 18, 2004 meeting, that the \$13.2 million contract was ‘a good price’ and that they had ‘a lot of background information’ and had ‘a good idea of the situation we are walking into.’

“This request by Navigant and their apparent lack of judgment in entering into this contract, calls into question their ability to achieve the goals outlined in the contract. This Board has committed to the community that we will fix King/Drew, but if the price tag goes so high that we fix King/Drew to the detriment of the rest of our health system, we have left the safety-net in a worse position, and we cannot allow that to happen.

“Navigant has not yet identified any permanent staff to fill the many vacant key positions at King/Drew that are being filled by Navigant employees on a temporary basis. Until permanent employees are hired, the County is in a position of being dependent on Navigant and paying their exorbitant fees.

“Navigant must be held to their commitment to the County to turn-around King/Drew for \$13.2 million.

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"I therefore recommend that the Board take the following actions:

1. Direct the Director of Health Services to:
 - Convey to Navigant Consulting, Inc. that no additional funds will be allocated to their contract, and that the County is holding them to their contractual commitment to turn-around Martin Luther King, Jr./Drew Medical Center for \$13.2 million;
 - Provide a written update to the Board, within 30 days, on the establishment of the baselines and performance improvement goals outlined in the contract with Navigant, and their progress in achieving those goals; and
 - Provide regular written and verbal progress reports to the Board every 60 days; and
2. Direct the Director of Personnel to provide monthly written reports to the Board on his progress in working with Navigant and the Department of Health Services in recruiting permanent replacements for positions held by Navigant employees."

Dr. Thomas L. Garthwaite, Director, and Fred Leaf, Chief Operating Officer, Department of Health Services, responded to questions posed by the Board.

After discussion, no action was taken on Supervisor Antonovich's aforementioned recommendation.

On motion of Supervisor Yaroslavsky, seconded by Supervisor Burke, duly carried by the following vote: Ayes: Supervisors Burke, Yaroslavsky and Knabe; Noes: Supervisor Antonovich; Abstentions: Supervisor Molina, the Director of Health Services' attached recommendation was adopted.

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Attachment

Copies distributed:
Each Supervisor
Chief Administrative Officer
County Counsel

(ALSO SEE BOARD ORDER NOS. S-1 AND 7 THIS DATE)